

USAID's AGRIBUSINESS PROJECT

Cooperative Agreement No. AID-391-A-12-00001

Annual Work Plan
November 2011- November 2012



Implemented By



Agribusiness Support Fund

December 2011

ABBREVIATIONS AND ACRONYMS

AJK	Azad Jammu and Kashmir
AOTR	Agreement Officer's Technical Representative
ASF	Agribusiness Support Fund
AWP	Annual Work Plan
BDS	Business Development Services
BDSPs	Business Development Services Providers
EA	Environmental Assessment
FAO	Food and Agriculture Organization of United Nations
FATA	Federally Administered Tribal Areas
FEG	Farmer Enterprise Group
FFS	Farmer Field School
FSC	Farm Services Center
GAP	Good Agricultural Practices
GIS	Geographical Information System
ICD	Information, Communication and Dissemination
ICT	Information and Communication Technology
IEE	Initial Environmental Examination
IMAP	International Market Linkages Program
KFS	Kissan Field School
KPP	Khyber Pukhtunkhwa Province
LTPP	Long-Term Principal Personnel
M&E	Monitoring and Evaluation
MIS	Management Information System
NGO	Non-Government Organization
PEA	Programmatic Environmental Assessment
RSP	Rural Support Programme
SME	Small and Medium Enterprises
TA	Technical Assistance
USAID	United States' Agency for International Development
VCP	Value Chain Platform

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	I
TABLE OF CONTENTS	II
EXECUTIVE SUMMARY	IV
1 SECTION ONE - OVERVIEW OF THE PROJECT	1
1.1 OVERALL GOAL	1
1.2 SPECIFIC OBJECTIVES	1
1.3 PROJECT COMPONENTS	1
1.4 TECHNICAL ASSISTANCE (TA) FOR CAPACITY BUILDING AND PROGRAM SUPPORT	2
1.5 PARTNERSHIP WINDOW COST-SHARING GRANTS	2
2 SECTION TWO -PROJECT START UP AND MANAGEMENT	3
2.1 ESTABLISHMENT / STRENGTHENING OF OFFICES	3
2.1.1 PROJECT OFFICE	3
2.1.2 REGIONAL OFFICES	3
2.2 PROJECT STAFFING	3
2.2.1 KEY PROJECT POSITIONS	3
2.3 PROCUREMENT	3
2.3.1 LONG TERM PRINCIPAL PERSONNEL (LTPP)	4
2.3.2 INTERNATIONAL TECHNICAL EXPERTS	4
2.3.3 INTERNATIONAL SUB-CONTRACTOR TEAM	4
2.3.4 STAFF DEVELOPMENT AND TRAINING	4
2.4 PROJECT LAUNCH CONFERENCES	4
3 SECTION THREE -COMPLIANCE TOAWARD &PROGRAM REQUIREMENTS	5
3.1 PROGRAMMATIC ENVIRONMENTAL ASSESSMENT (PEA)	5
3.2 COMPLIANCES TO POST-AWARD CONDITIONS	5
3.3 GRANTS MANAGEMENT	5
4 SECTION FOUR -PROGRAM IMPLEMENTATION	6
4.1 RESULTS FRAMEWORK	6
4.2 OBJECTIVE-1 (S-IR 1.1.1): STRENGTHENED MARKET LINKAGES IN SELECTED VALUE CHAINS	7
4.2.1 STRATEGY	7
4.2.2 ACTIVITIES	7
4.3 OBJECTIVE-2 (S-IR 1.1.2): STRENGTHENED CAPACITY OF SMALLHOLDERS & FARMER ENTERPRISES	10
4.3.1 STRATEGY	10
4.3.2 ACTIVITIES	10
4.4 OBJECTIVE-3 (S-IR 1.1.3): IMPROVED TECHNOLOGICAL INNOVATION	13
4.4.1 STRATEGY	13
4.4.2 ACTIVITIES	13

5	SECTION FIVE - MONITORING AND EVALUATION	15
5.1	STRATEGY	15
5.2	ACTIVITIES	16
6	SECTION SIX - DETAILED CHRONOLOGICAL IMPLEMENTATION PLAN	22

List of Tables and Figures

Table 1- Regional Offices to be established under the USAID Agribusiness Project.....	3
Table 2: Details of the proposed International Technical Experts under the Project.....	4
Table 3: Compliance Roadmap for Post-Disbursement Conditions	5
Table 4: Out-Put Based activities and Performance Benchmarks under Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains	9
Table 5: Out-put based activities and Performance Benchmarks under Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders & Farmer Enterprises	13
Table 6: Out-put based activities and Performance Benchmarks under Objective-3 (S-IR 1.1.3): Improved Technological Innovation	14
Table 7: Out-Put Based Activities and Performance Benchmarks under Monitoring and Evaluation.....	17
Table 8: Consolidated Output based Activities and Progress Benchmarks during the First Year's Implementation of USAID's Agribusiness Project	19
Figure 1: Result Framework of the USAID's Agribusiness Project.....	6

Executive Summary

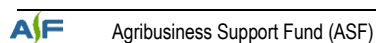
The United States Agency for International Development (USAID) and Agribusiness Support Fund (ASF) will jointly implement the five-year **USAID's Agribusiness Project** to increase competitiveness and productivity of horticulture and livestock sub-sectors in Pakistan. The overall goal of the Project is to support improved conditions for broad-based economic growth, create employment opportunities and contribute to poverty alleviation through increase in competitiveness of horticulture and livestock value chains in partnership with all stakeholders. Specific objectives of the project are to; (i) strengthen the capacity in horticulture and livestock value chains to increase sales to domestic and foreign markets; (ii) strengthen the capacity of smallholders and farmer enterprises to operate autonomously and effectively; and, (iii) increase agriculture efficiency and productivity through adoption of new farming techniques and technological innovation among targeted beneficiaries. Project activities are organized into two components i.e. (i) Technical Assistance (TA) for Capacity Building and Program Support; and, (ii) Partnership Window Cost-Sharing Grants.

Under component-1, The Project will provide on-going technical and capacity building assistance to upgrade and strengthen the priority value chains in horticulture and livestock sub-sectors through its four sub-components including: (1) International Technical Assistance & Program Delivery Support, (2) International Market Linkages Development, (3) Kissan Field Schools (KFS), and (4) Capacity Building, Training & Awareness. Component-2 of the Project involves launching of a national cost-sharing grants program, offering a wide range of customized grant products to all players within the priority value chains. These cost-sharing grants will be provided in the priority value chains, including: agribusinesses (including processors, exporters, marketers, value adding and other related SMEs), farmers and farmer enterprise groups for better integration into domestic and export market chains. Grants will also be provided to farmers' associations, processors and exporters, transporters, service providers, universities and research institutes, Non-Governmental Organizations, Rural Support Programs (RSPs) and other key players in order to address weakness and market failures with the ultimate objective to strengthen private sector and market systems. Focus of investments will be on up-stream marketing and processing (off-farm) aspects of the value chains for fostering value addition and to capitalize on the strengthened capacities through assistance provided under component-1.

The Project proposes a holistic approach of value chain-wide interventions from production to marketing. The focus of the efforts is on creating capacities in the selected value chains to meet the requirements of domestic and international markets and value addition. Whilst, initially, interventions are designed to address critical gaps at the on-farm level, the overwhelming focus of the Project will be on functions related to off-farm, upstream activities in the value chain including value addition, processing and marketing. However, efforts will be made to ensure inclusive development of the value chains affording opportunities to small-holders to take advantage of the emerging opportunities and enabling them to profitably access domestic and export markets.

During the first year of the Project (November 2011 to October 2012), a number of activities will be undertaken including establishment of offices, hiring staff, launching the Project and acquisition of equipment. Tangible outputs, to be achieved, during the first year include establishment of value chain platforms (2), facilitating enterprises (16) acquiring membership of GlobalGAP and Fairtrade etc. and participation in international training (2), organizing training on technical and management themes (20), facilitating access of enterprises to markets (10), acquisition of quality certification (10), initiation of the formation of Kissan Field Schools (700) and Farmer Enterprise Groups (500), strengthening of BDS providers (20), strengthening private extension and research providers (3), and provision of matching grants to off-farm enterprises (3).

The Project will establish a monitoring and evaluation system to track the performance of the Project including periodic monitoring, progress reporting and wider dissemination of result through various means of communications. The impact of the project will be measured against the baseline to be established through comprehensive analysis of the sub-sector and priority value chains for benchmarking.



1 SECTION ONE - OVERVIEW OF THE PROJECT

This Work Plan is submitted under the Cooperative Agreement No. AID-391-A-12-00001 and encompasses the overall strategic direction and activities planned for the period one year i.e. from 10th November 2011¹ to 9th November 2012. The project aims at an enhanced competitiveness of agricultural value chains in Pakistan. The target sub-sectors for the Project are horticulture and livestock (including dairy and fisheries). Within the target sub-sectors, priority value chains, will be identified and selected for interventions after following a systematic process of value chain mapping and analysis. The proposed work plan will entail necessary flexibility to respond to ground realities.

The USAID's Agribusiness Project was planned to address the priority problems and constraints impeding the development of agriculture sector in Pakistan. The intervention will focus on improving and strengthening off-farm activities such as marketing and market linkages, market access, processing, value addition and enhancing competitiveness of enterprises to explore and exploit the potential in both domestic and international markets. Essentially to upgrade quality and foster competitiveness of agribusinesses substantial efforts will be required to improve farming practices, stimulate technology up-take strengthen farmers' organizations, businesses and related networks that critically link producers, and integrating suppliers, processors, marketing operators in the key agribusiness value chains. Keeping in view the diversity and spread of agriculture production in Pakistan, and with a view to have effective implementation, a sub-sector cluster approach will be applied whereby areas with greatest potential for value addition, employment creation and outreach will be prioritized and targeted. While the project will have geographical coverage of entire country, a purposeful attempt will be made to target the underserved areas within Khyber Pakhtunkhwa, Baluchistan, FATA, Southern Punjab and Northern Sindh.

The project will serve as a catalyst to mobilize private sector's investment in agribusinesses and related enterprises as a means for NGOs/RSPs, BDSPs and other community organizations (FEGs/KFS) to provide agribusiness support services in their communities with the ultimate objective to strengthen private sector value chains to become commercially viable and sustainable. Implementation of activities will be carried out in collaboration with international and local partner organizations with relevant experience in marketing /enterprise development, value chains and rural development related activities. The target value chains and underlying market systems will be facilitated to evolve so that market operators in the private sector take over the value chain functions on a sustainable basis.

1.1 Overall Goal

The overall goal of the USAID's Agribusiness Project is to support improved conditions for broad-based economic growth, create employment opportunities and contribute to poverty alleviation through increase in competitiveness of horticulture and livestock value chains in partnership with all stakeholders.

1.2 Specific Objectives

Specific objectives of the project are to;

- strengthen the capacity in horticulture and livestock value chains to increase sales to domestic and foreign markets;
- strengthen the capacity of smallholders and farmer enterprises to operate autonomously and effectively; and,
- increase agriculture efficiency and productivity through adoption of new farming techniques and technological innovation among targeted beneficiaries.

1.3 Project Components

The Project activities are organized under two components (having several sub-components) that are aimed

¹ Cooperative Agreement for the USAID's Agribusiness Project was signed on 10th November 2011.

at strengthening market linkages between stakeholders, up-gradating value chains and promoting participation of small farmers in the economy as a whole. The two program components are;

1. Component One: Technical Assistance (TA) for Capacity Building and Program Support
2. Component Two: Partnership Window Cost-Sharing Grants

1.4 Technical Assistance (TA) for Capacity Building and Program Support

Under component-1, The Project will offer on-going technical and capacity building assistance to upgrade and strengthen the priority value chains in horticulture and livestock sub-sectors. This component will inform the project through a systematic market and value chain analysis and help in identifying priority value chains having high-potential for processing, value addition and marketing. This component will serve as basis to facilitate interventions under the cost-sharing partnership window (Component-2). Component-1 encompasses four sub-components including; (1) International Technical Assistance & Program Delivery Support, (2) International Market Linkages Development, (3) Kissan Field (Schools (KFS), and (4) Capacity Building, Training & Awareness.

1.5 Partnership Window Cost-Sharing Grants

Component-2 of the Project involves launching of a national cost-sharing grants program, offering a wide range of customized grant products to all players within the selected priority value chains. These cost-sharing grants will be provided to and implemented, in partnership, with key stakeholders involved in the priority value chains, including: agribusinesses (including processors, exporters, marketers, value adding and other related SMEs), farmers and farmer enterprise groups for better intergradations into domestic and export market chains. Grants will also be provided to farmers' associations, processors and exporters, transporters, service providers, universities and research institutes, Non-Governmental Organizations, Rural Support Programs (RSPs) and other key players in order to address weakness and market failures with the ultimate objective to strengthen private sector and market systems. Through matching and cost-sharing grants, the project will mobilize investments geared towards the development of priority value chains that effectively create employment having the ability to increasingly contribute to the economy. Focus of investments will be on up-stream marketing and processing (off-farm) aspects of the value chains for fostering value addition and to capitalize on the strengthened capacities through assistance provided under component-1.

Major activities of the Project are organized and briefly covered under the following Sections of this Work Plan.

- Section -1 describes background and overview of the Project and its scope;
- Section-2 details Project start up, recruitments and general management of the Project in its inception phase;
- Section -3 provides an account of the status of compliance post award conditions and other project requirements;
- Section-4 details the major project activities and implementation strategies;
- Section-5 describes monitoring, evaluation and communication approach and underlying activities; and,
- Section-6 reproduces a chronological summary of the work plan.

2 SECTION TWO -PROJECT START UP AND MANAGEMENT

2.1 Establishment / Strengthening of Offices

The Project has planned to establish several offices to facilitate effective and timely implementation of activities in the target areas. This includes ASF's headquarters, project office and regional offices.

2.1.1 Project Office

A Project Office is being established, at Islamabad, which will be completed and become functional within 4 months from signing of the cooperative agreement. This office will maintain close coordination and seek implementation support from USAID mission, Islamabad. The Project will ensure regular presence of key team members at the Project Office to maintain close coordination with USAID officials in Islamabad. This office, a full-fledged operational setup, will serve as the project contact point with USAID-Islamabad on behalf of the ASF headquarters. A regional office will also be established within the ASF's headquarter at Lahore to further strengthen the capacity of ASF to effectively manage the Project and to cover interventions in AJK. Throughout, the Lahore Office will remain as the ASF's headquarters.

2.1.2 Regional Offices

Under the Project, the following regional offices will be established within 6 months from signing of the agreement, to enhance the outreach, effectiveness and efficiency of the project and to judiciously represent regional priorities and targets. The following regional offices are being established;

Table 1- Regional Offices to be established under the USAID Agribusiness Project

Regional Offices	Locations
Punjab	1. Multan 2. Faisalabad 3. Lahore (to cover Punjab, AJK and act as ASF's Headquarter)
KPK	4. Peshawar (to cover KPK, North FATA and FR) 5. Dera Ismail Khan (to cover south KPK and South FATA)
Sindh	6. Karachi (to cover Southern Sindh) 7. Sukkur (to cover Northern Sindh)
Baluchistan	8. Quetta
Gilgit-Baltistan	9. Gilgit

Activities will be undertaken in partnership with other implementing partners to be engaged by ASF in the target areas. Satellite offices will be established under these partnerships to effectively and efficiently implement various activities and to carry out interventions in an integrated manner ultimately linking production clusters with processing, marketing and value addition enterprises as well as the major market centres of the country.

2.2 Project Staffing

2.2.1 Key Project Positions

It was planned that the key project positions will be filled immediately after the signing of the cooperative agreement. Four out of 5 key personnel have already been hired and approved while the process for the remaining one position has been initiated and will be completed no later than 3 months from the signing of the cooperative agreement.

2.3 Procurement

Necessary equipments including vehicles, office furniture, computer and other accessories and refurbishment of offices will be undertaken to facilitate the effective implementation of project activities. Procurement will be done following agreed procedures including applicable approvals from AOTR. Major procurement will be completed within 6 months from the signing of cooperative agreement.

2.3.1 Long Term Principal Personnel (LTPP)

In addition to the Key Personnel, the Long Term Principal Personnel (LTPP) will play critical and specialized roles required under the USAID's Agribusiness Project. ASF has deputed its existing staff to the Project as LTPP in accordance with their profile and current roles at ASF in different functions. For the additional LTPP positions ASF will identify and hire highly-qualified, experienced and appropriate Pakistani personnel on merit from the open market. The positions based at Regional Offices and Project Office in Islamabad will be recruited concurrently with the establishment of offices i.e. within 6 months from signing of cooperative agreement.

Membership of the Grant Appraisal Panel will be increased by recruiting two (2) additional members with relevant professional background, within 6 months of the signing of the cooperative agreement.

2.3.2 International Technical Experts

Under the Project, two international experts have been proposed² to provide short-term technical inputs at various stages of the implementation of the Project, including the inception phase. In addition, the Project will also establish a database of additional international and domestic experts who will be engaged for short, medium and long-term basis during the implementation of the project on need basis to be realized during the course of project implementation.

Table 2: Details of the proposed International Technical Experts under the Project

International Technical Experts Critical Information		
Title	Name	Years Experience
Senior Consultant	Dr. Michael J. Lloyd	31
Senior Consultant	Gordon Kent Studebaker	42

2.3.3 International Sub-contractor Team

Under the Project, a sub-contractor i.e. CNFA was proposed. The proposed roles of CNFA include provision of experts (expatriate as well as domestic) staff during the 5-year implementation period. The expatriate experts' inputs will be in the area of program management, livestock development, horticulture, agribusiness marketing & cold chain, environmental compliance, ICT/GIS, and other relevant program implementation themes. The domestic staff provided by CNFA providing expertise in the areas of monitoring and evaluation, database development, MIS, GIS, and other allied program support needed throughout the 5 years implementation period.

The detailed scope of work, specific deliverables and terms of contract with CNFA will be developed and signed within 2 month of the signing of cooperative agreement.

2.3.4 Staff Development and Training

The USAID Agribusiness Project duly recognizes the importance of the knowledge and skills of the staff in relation to their proposed roles. Furthermore, it is critical that all staff have a consistent understanding of the overall program goals and the strategies to achieve it. In order to address the gaps in capacity to ensure consistency in approach and common understanding, the Project has allocated required resources to the ongoing orientation, training and professional development of the project staff through national and international trainings and workshops including those on USAID rules and regulations, grants management, project management, financial management, monitoring and evaluation, reporting, communication etc. Training and capacity building of staff and implementation partners will be carried out on need basis on an ongoing basis. A need assessment and capacity building plan will be developed by the Project during the first six months of the Project.

2.4 Project Launch Conferences

A Project Launch Conference will be held within 3 months from the signing of the cooperative agreement. A total of 6 project launch conferences will be held one each in Gilgit, Islamabad, Karachi, Lahore, Peshawar

² Selection will be subject to USAID's approval

and Quetta to create awareness about the project and mobilize interest of private sector for participation in the project's activities.

3 SECTION THREE -COMPLIANCE TOWARD &PROGRAM REQUIREMENTS

3.1 Programmatic Environmental Assessment (PEA)

The Initial Environmental Examination (IEE) has resulted in a Positive Determination regarding all potential activities of USAID Agribusiness Project. Further assessments are planned, except those related to training, technical assistance and studies/value chain analyses, which will be subject to assessment in the course of implementation of the project's activities. Before the main activities (contemplated for the grants), begin, an Environmental Assessment (EA) or more broadly, a Programmatic Environmental Assessment (PEA) for the related set of sub-activities proposed under the grant, will be initiated and completed. ASF understands a PEA requires a substantial environmental investigation, initiated by a Scoping Phase of several weeks, followed by the PEA field investigation and report. As such the Project will seek assistance from USAID Environmental Office to ensure that the Scoping team, and the follow-on EA team, are fully qualified and equipped to provide the documentation essential for PEA submission and approval. ASF's international subcontractor, CNFA, will provide the services of an Environmental Management Consultant, to guide the local environmental specialist(s) to undertake studies and appraisals needed for project implementation, including PAE and EMMP compliance. The PEA will be carried out within 6 months of signing of the cooperative agreement.

3.2 Compliances to Post-Award Conditions

ASF has already reported 100% compliance of pre-disbursement conditions mentioned in the Pre-Award Assessment report. Compliance of remaining post-disbursement conditions will be completed within 6 months of signing of cooperative agreement, as described hereunder:

Table 3: Compliance Roadmap for Post-Disbursement Conditions

Condition as mentioned in Pre-Award Assessment Report	Compliance Roadmap
Capacity Enhancement of Existing and Proposed Staff	A capacity building plan will be developed within 6 months of signing of the cooperative agreement and continued on an ongoing basis.
Establishment of Internal Audit Department	Will be complied within 3 months of signing of the cooperative agreement and on an ongoing basis.
Overcome Weakness in Design and Operations of Grant Management System	A Grants Manual will be submitted within 3 months of signing of cooperative agreement incorporating best practices from experiences of ASF's own interventions and other relevant projects
Information Technology (Software & Server Machine)	Will be complied within 6 months of signing of the cooperative agreement

3.3 Grants Management

The USAID Agribusiness Project will generate a Grants Management Plan, as detailed in Management Plan of application, and a Grants Manual with detailed procedures, reporting requirements and review and authorization procedures, for appraisal and management of grants. The Grants Manual will be submitted to USAID within three (3) months from signing of the cooperative agreement. Grants will be tracked separately, from original application or request for applications, through to disbursement. During the first 90 days of the program, the Project through the sub-contractor (CNFA) will commission software development that will automate the grants program, make it web-accessible, and enable integration with accounting and M&E systems including option through which USAID can exercise "Substantial Involvement" by reviewing and approving (wherever appropriate)—or sending back for additional information—the grants proposed by the Project. Tracking will continue through disbursement and will enable capture of all the data required for compilation of financial and monitoring reports associated with each grant.

Grant, monitoring and accounting software will be developed, pilot tested and adopted within 8 months from signing of the cooperative agreement.

4 SECTION FOUR -PROGRAM IMPLEMENTATION

4.1 Results Framework

The overall scope of the Project is capitulated in the Results Framework describing hierarchy of project objectives and scope that was provided in the RFA. The broad result framework of the Project is depicted in Figure 1.

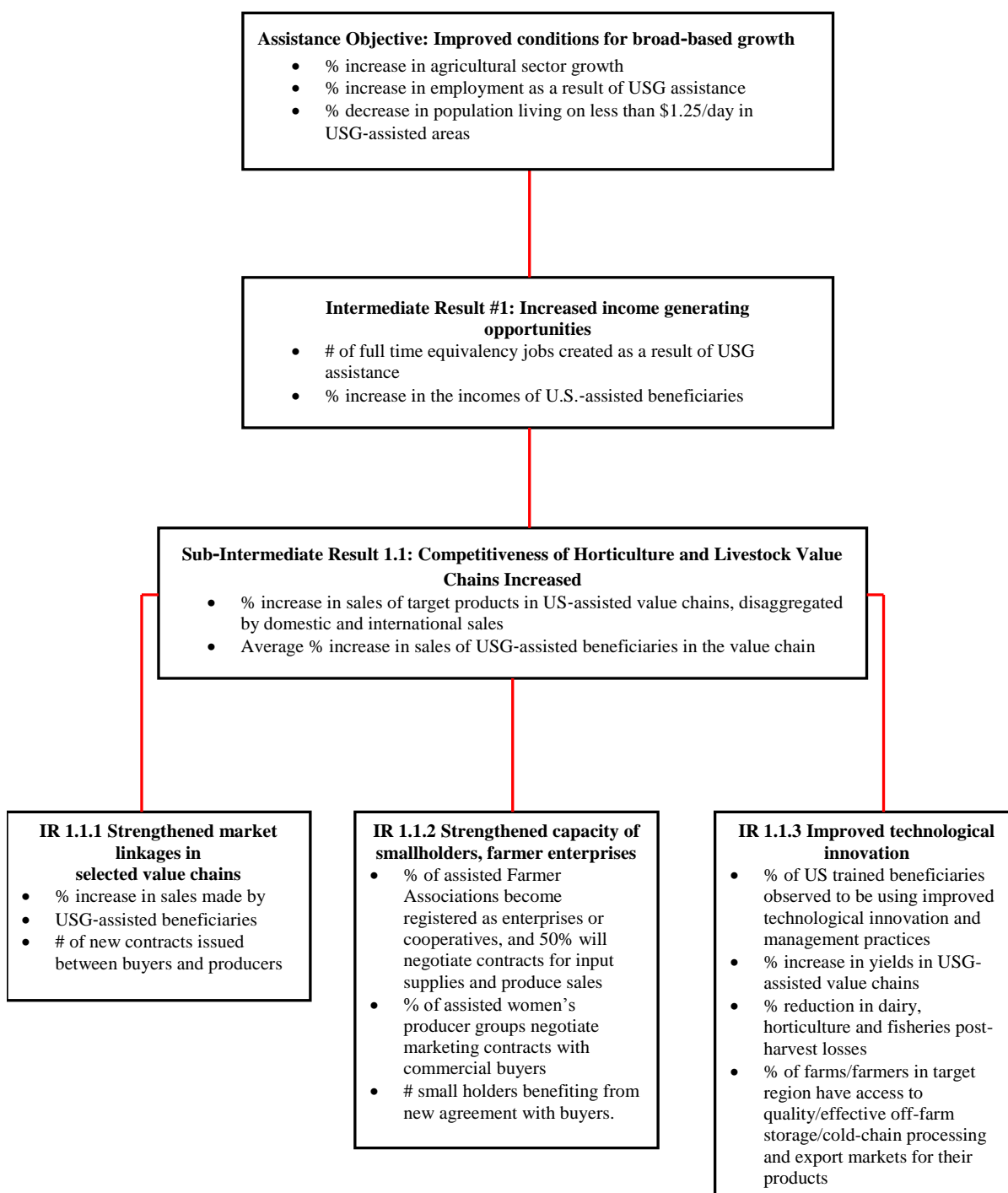


Figure 1: Result Framework of the USAID's Agribusiness Project

This Results Framework (above) encapsulates the implementation approach of USAID's Agribusiness Project and will be used to guide work-planning and results monitoring activities throughout the course of implementation.

At the highest level of the results framework is assistance objective i.e. improved conditions for broad-based growth. This is the project goal. While the USAID's Agribusiness Project will contribute significantly to this goal, it will do so through the project's intermediate result #1 i.e. to facilitate increased income generating opportunities. To achieve the project intermediate result #1 that will lead to the achievement of overall assistance objective as mentioned above, the Project will strive to realize increased competitiveness of horticulture and livestock value chains, which is to be achieved through the following three sub-intermediate results:

- Sub-Intermediate Result 1.1.1: Strengthened market linkages in selected value chains
- Sub-Intermediate Result 1.1.2: Strengthened capacity of smallholders, farmer enterprises
- Sub-Intermediate Result 1.1.3: Improved technological innovation

In the overall planning effort each Sub-Intermediate Result (S-IR) is considered as an objective in itself. In the following sections, details of the program implementation, during first year, are organized into the above-mentioned S-IRs and objectives. For each S-IRs, the program strategy, activities for the year's, as well as timelines are given.

4.2 Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains

Objective 1: To strengthen capacity in the horticulture and livestock value chains for increased sales to domestic and foreign markets

4.2.1 Strategy

This objective focuses on strengthening capacity within the value chains in horticulture and livestock sub-sectors to increase sales to domestic and foreign markets. Tremendous opportunities are offered by the significant size of the domestic market and several emerging international export destinations. During the first year, towards achievement of this objective, an integrated strategy will be developed including the criteria for prioritization/selection of priorities within the selected value chains to be eligible for technical assistance and capacity building support for value addition, marketing and export (such as acquiring export, quality assurance and food-safety compliance certifications); development of a strategy and criteria for selection of enterprises from selected value chains for support to access potential domestic and international markets (through participation in international exhibitions, trade shows, exposure visits etc.); organization of stakeholders participatory programs (involving rapid assessments, value chain analysis and other sub-sector mapping exercise with stakeholders participation); and, development of value chain road-maps and establishment and operation of Value Chain Platforms (VCPs) / Sector Working Groups/ Platforms covering horticulture and livestock sub-sectors.

Also during the first year, an international consultancy firm will be engaged to structure and implement a comprehensive market linkages program to link selected project beneficiary enterprises with international markets chains, including buyers targeting high end markets inside the country.

4.2.2 Activities

The following activities will be undertaken during the first year of program implementation:

1. Technical Assistance and Capacity Building Support under Quality Assurance and Food- Safety Compliance Certifications Program: Priorities will be identified and support models for interventions will be established for enhancing capabilities of enterprises for compliance to requirements of high end markets (domestic and export). This activity will be linked to the other technical assistance and support activities and therefore will be implemented in an integrated manner. During the first year, strategy and criteria will be devised for identification of priorities within selected value chains for technical assistance and capacity building support especially with focus on

acquiring quality assurance and food-safety compliance and other certifications that add value and increase competitiveness of value chains for increasing market share in domestic and export markets. The key to development of the strategy would be focus on complementing other value chain development activities across the value chains during the life of project. During the year, assistance will be provided to 10 enterprises in attaining compliance certification to various standards in the priority value chains.

2. **Technical Assistance and Capacity Building Support under International Markets Access Program (IMAP):** The IMAP will aim to facilitate a significant increase in sales to domestic (high end) and export market of the target value chains by providing support to key stakeholders including selected enterprises, processors, market functionaries and exporters to participate in international exhibitions, trade shows, trade fairs and other international trade promotion events.

Priorities will be identified and support models for interventions will be established for support to enterprises within selected value chains for the technical assistance and capacity building support such as participation in international exhibitions, trade shows, trade fairs and other international trade promotion events. The key to development of strategy would be the overall focus of the project i.e. promoting off-farm activities such as value addition, processing and marketing and will seek complementarities with other value chain development activities to be implemented across the value chains by the project. Assistance will be provided to 10 enterprises for gaining market access under selected value chains.

3. **Participatory Assessments/ Preparatory Program:** As detailed in the Technical Proposal, keeping in view the diversity and spread of agriculture production in Pakistan, a sub-sector cluster approach is necessary so as to target those areas offering the greatest potential for value additions, employment and income generation. Rapid participatory appraisals of the potential sub-sectors (within clusters) will be carried out to map and analyze value chains, characterize these, identify constraints, and devise appropriate solutions for its up-gradation/facilitation. This activity will be carried out in collaboration with the local partners, agribusiness stakeholders, service providers, farming communities, civil society members and relevant government and research institutions. In order to ensure inputs from all stakeholders the program will organize regular events including consultative workshops, focus group discussions, seminars and participatory rapid appraisals to update the value chain road-maps. This on-going exercise will effectively map high-potential clusters/regions, prioritize interventions and also help to identify potential clients for the program support. International and domestic experts will also be deployed (from the project's pool of consultants and through the sub-contract components) to build upon selected priority clusters and conduct comprehensive sub-sector and value chain analysis. This sub-component is also expected to generate a limited number of actionable studies which will assist the private sector in making informed choices in their investment decisions. Studies to be conducted under the Project will build on the existing pool of knowledge and analysis undertaken by earlier initiatives notably FIRMS project funded by USAID.

Indicative List of Potential Sub-sectors / Value Chains	
<u>Punjab</u>	Citrus (Kinnow), Mango, Potato, Tomato, Onion, Guava, Floriculture, Livestock & Dairy
<u>Khyber Pakhtunkhwa</u>	Citrus -Red Blood (3 clusters), Potato, Onion, Tomato (2 clusters), Ginger, Guava, Peach, Dates, Fish (Trout), Livestock & Dairy
<u>Sindh</u>	Mango, Chili, Banana, Dates, Onion, Guava, Ginger, Fish, Livestock & Dairy, including study on Cattle Colony, Karachi
<u>Baluchistan</u>	Grapes, Apples, Tomato, Dates, Fish, Livestock & Dairy
<u>Gilgit Baltistan:</u>	Apricot, Potato, Pine Nut, Livestock & Dairy
<u>FATA</u>	Apples, Tomato, Olive, Livestock & Dairy
<u>AJK</u>	Floriculture, Livestock & Dairy
<u>All over Pakistan</u>	A detailed study on meat sector (Halal industry) of country needs be carried out

A baseline survey will also be carried out during the first year of the Project to benchmark the selected sub-sectors and value chains. The baseline will support the establishment of a database which will be updated regularly as the project activities are implemented in each of the priority value chains.

During the first year, atleast 30 primary- and secondary-level stakeholder validation workshops will be organised, in selected sub-sectors. A minimum of 10 detailed studies and 16 participatory rapid assessments/value chain analysis, including value chain baseline study, will be carried out under the activity.

4. **Development and Operation of Value Chain Platforms (VCPs):** The activity aims to establish several Value Chain Platforms with a purpose to validate findings of the studies and develop consensus among key stakeholders for the value chain development priorities. Through the platforms a broad range of stakeholders involved within the value chains will be brought together to develop value chain road-maps. Each platform will bring together relevant players from the targeted value chains to address specific or general gaps and to develop a common vision and agreed strategies. The national and regional VCPs will facilitate inter-professional consultations among intermediaries and stakeholders including farmers, members of associations, processors and traders, services and technology providers, R&D providers, government agencies, and policy-makers related to the specific value chains. Several of the platforms will be established under the program focusing on different thematic areas, as identified in the road-maps, such as to serve as a technical working groups or focal points for international agencies or certification programs such as GlobalGap / Foodplus, Fair trade International, Halal Certification and The World Vegetable Center (AVRDC) among others. Others platforms will be tasked to address broader issues related to constraints and opportunities faced by the sub-sector with respect to farm productivity, post-harvest value addition, market development, and policy matters as prioritized in the value chain road-maps. The Agribusiness Project will establish platform secretariats in-house or elsewhere.

During the first year, 2 VCPs will be established and 12 meetings of VCP members will be organized. Furthermore, it is targeted that 16 enterprises will be supported in acquiring memberships of GlobalGAP (FoodPlus) and Fair Trade. Two members will be assisted for international trainings and exposure during the year.

5. **Technical Assistance for International Market Linkages Program:** The International Market Linkages Program will provide TA support for agricultural marketing and brand development directed to identify and capitalize on opportunities in high-price markets to develop linkages for Pakistani agriculture products. An internationally experienced firm will be selected through a competitive process to implement this program. The objective of the TA will be to facilitate connection of selected Pakistani agricultural products with international markets (including international retail chains operating in Pakistan) by assisting participating enterprises to employ the findings of selected Value Chain studies to develop strategic capability through capacity building, coaching and recommendations on commercially viable solutions to address gaps and constraints and to develop awareness and understanding of customers. The activity will undertaken in conjunction with the value chain mapping and analysis; complementary competitive analysis (including global demand trends and value chain benchmarking for the products with export potential or for import substitution); sector analysis and market research for target products; to identify marketable products for both domestic and export markets and/or potential development for niche market opportunities including branding strategies, identification of potential international partners and formulation of programs/interventions for global alliances and linkages. The brand development will be primarily aimed at developing partnerships between Pakistani enterprises and external premium brands to facilitate vertically integrated value chains.

During the first year, ASF will carry out selection process and mobilize an international firm(s) for structuring and development of strategy for enhancing market access and its implementation.

Out-put based activities and performance benchmarks under this objective are described below:

Table 4: Out-Put Based activities and Performance Benchmarks under Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains

Out-Put Based Activities	Benchmarks for Measuring Achievements
1. Identification of priorities and intervention model established for Technical Assistance and Capacity Building Support	<ul style="list-style-type: none"> Assistance provided to 10 enterprises for compliance to standards by 09th November 2012.

under Export, Quality Assurance and Food- Safety/Halal Compliance Certifications Program	
2. Identification of priorities and development of support model for Technical Assistance and Capacity Building Support under International Markets Access Program (IMAP):	<ul style="list-style-type: none"> Markets access facilitated through formal contracts of 10 enterprises by 30th April, 2012.
3. Organizing Stakeholders Participatory Assessment/ Preparatory Program:	<ul style="list-style-type: none"> 30 primary- and secondary-level stakeholder validation workshops organized in selected sub-sectors by 09th November, 2012 A minimum of 26 studies / participatory assessments / value chain assessment reports have been developed by 09th November, 2012
4. Development and Operation of Value Chain Platforms (VCPs) / Sector Working Groups / Platforms:	<ul style="list-style-type: none"> 2 VCPs established by 30th June, 2012 12 meetings of VCP members organized by 09th November 2012, 2012 16 enterprises supported in acquiring GlobalGAP and fair Trade memberships by 09th November, 2012 Two international trainings and exposure programs for members organized and supported 09th November, 2012
5. Selection of International Firm for International Market Linkages Program:	<ul style="list-style-type: none"> Selection criteria and detailed TORs for firm established by 31st March, 2012 International Firm selected and mobilized by 31st May, 2012

A detailed chronological implementation plan (Gantt chart) of project activities is provided in the Section 6 of the work plan.

4.3 Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders & Farmer Enterprises

Objective 2: To strengthen capacity of the smallholders and farmer enterprises to operate autonomously and effectively

4.3.1 Strategy

One of the features that characterize the agribusiness sector in Pakistan is the overwhelming majority of small farmers having subsistence oriented production. These invariably uneconomical units of production are excluded from formal marketing chains. Three fundamental elements that need to be addressed include the diseconomies of size, limited value addition and poor productivity. To foster inclusive value chain development, it is imperative to enhance capacity of small-holders to profitably participate in marketing, processing and value addition functions. Through focused interventions capacity of smallholders and farmer enterprises will be strengthened to operate in a commercially viable manner and effectively undertake value addition, processing and marketing. First year's strategy towards achievement of this objective will involve organization of technical and managerial training program in partnership with universities and training institutes; organization of Kissan Field Schools in the selected value chains; technical assistance and capacity building of BDS providers; formation of Farmer Enterprise Groups (FEGs) in partnership with NGOs / RSPs; and matching-grants support to FEGs and associations.

4.3.2 Activities

The following activities under this component will be undertaken during the first year of program implementation:

1. Technical & Managerial Trainings: The Project will offer a program of technical and managerial trainings for farmers, enterprises, BDS providers, agricultural professionals and other relevant stakeholders for building

necessary capacities. For this purpose partnership has already been established with leading universities, research institutes, non-governmental organizations (NGOs) and Rural Support Programs (RSPs), international certifying bodies and training institutes, and various private-sector organizations having capacity to design and deliver such programs consisting of technical and managerial themes. While the current partners will be engaged during implementation of program, new partnerships and collaborations will also be explored to enhance efficiency, effectiveness and outreach of the program. A diversified range of trainings will be offered under the program to build the capacity of sector, e.g. agribusiness management, off-season farming, dairy farm management, dairy processing, modern culture (such as hydroponics, tissue culture etc.), quality certifications, halal processing and branding, medicinal plants and herbal medicines, drying and dehydration of fruits and vegetables, good agricultural practices etc.

During the first year, the Project will organize 20 technical and managerial trainings, attended by a minimum of 250 participants from priority value chains, in collaboration with selected universities and training institutions.

2. Organization of Kissan Field Schools in Selected Value Chains: To address the productivity gap and quality assurance right from the point of production it is imperative to have necessary skills and capacity of farmers. ASF will sub-contract reputable implementation of a dedicated Kissan Field Schools (KFS) program, the concept evolved from Farmer Field Schools (FFS), pioneered by FAO. KFS is different from FFS on two accounts, firstly under the KFS the overwhelming focus will be on small holders producers (locally known as kissans-small farmers as opposed to zamindars-farmers) and secondly it will explore opportunities for the KFS participants to be linked to markets. The KFS will be undertaken within the priority sub-sectors / value chains on nationwide basis. The farmers generally lack knowledge and awareness of modern production techniques, and need practical training and extension to support development of the primary activities. The approach of the FFS has proven to be highly successful in providing farmers with improved agronomic, post-harvest, and integrated pest management practices, and leads to formation of farmer groups that are able to access required extension advice from public and private sector providers. The Project will build on the concept of Farmer Field Schools (FFS) with a value chain emphasis, so that farmers gain a view of the entire commodity chain and their role in it, to better leverage their role, and to graduate successfully from a subsistence orientation to production for market adopting to business orientation. Using the FFS methodology, an effort will be made to form farmer groups to learn about new techniques, efficient farming practices, new seed varieties/livestock breed, post production handling and packaging, storage, transportation, crop/livestock management and other aspects of agribusiness that can improve their incomes and position their products in the market. Depending on the type of selected sub-sector and value chain, the participant producers will be provided training as well as other necessary support under each KFS to upgrade their practices. Overall, this sub-component will focus on building the knowledge, skills, and technological aspects of farming with a view to enhance productivity of smallholders and to integrate them into market systems. Each KFS will work at the village level with 25-30 local producers linked to particular value chain operators. KFS sites that are broadly representative of the village's fields meeting the following criteria - 1) accessible to most interested farmers, 2) suitable for various irrigation techniques, and 3) free of a history of soil toxicity and soil-borne diseases 4) having the ability to produce for market and willing to integrate into the commercial value chains.. Women will also be encouraged to participate and each KFS will be segregated by gender.

During the first year of the project, a total of 500 Kissan Field Schools (KFS), with an average total participation of 12,500, will be organized nationwide, covering a one full production cycle-long training program. A minimum of 500 trainings will be imparted under these KFS. These KFS and member producers will be linked with other activities of project to foster integrated development across the target value chains.

3. Technical Assistance and Capacity Building of BDS Providers: International experience indicates that the viability and profitability of agribusiness enterprises depends on the speed at which each enterprise is able to build within itself the different skills, know-how, expertise, and understanding of the dynamics of markets in the face of a fast-changing economic environment. An effective method for building these capacities within

the agribusiness enterprise is through the utilization of demand-driven external Business Development Services (BDS). BDS are a wide range of services used by enterprises to help them operate and improve the performance of the enterprise, access to markets, and their ability to compete. BDS include training, consultancy and advisory services (non-recurring financial, legal, managerial etc), marketing assistance (brand development, sales strategies, marketing plans etc), technology development and transfer, and business linkage promotion. While access to effective BDS has proven in many countries to act as a catalyst to enhance enterprise productivity and profitability; in Pakistan, technical, managerial, marketing, financial and legal advisory services are limited and, in the context of agribusiness, almost non-existent. To promote agribusinesses in the area of processing, marketing, value addition and export, BDS can play a pivotal role. ASF will provide capacity building support to BDS providers in developing and upgrading the type of service they are able to offer to agribusiness clients, and will also support agribusiness enterprises to access such services. The interventions are on both supply and demand side to correct market failures.

During the first year of program, a total of 20 BDS providers will be provided capacity building support which will result into establishment of improved capacities of BDS providers to serve agribusiness sector; establishment of business incubation centers; agribusiness cells etc. The BDSPs will take on the roles of service providers which are currently provided by agencies on subsidized terms thereby distorting markets.

4. Formation of Farmer Enterprise Groups (FEGs): This activity will provide grants support to NGOs, RSPs and other community organizations to establish small farmers into FEGs within identified clusters, and to provide these with matching grants for value added activities (processing, grading/packing, storage and marketing) on commercially viable and sustainable basis. The organization of farmer groups will facilitate collective action and joint access to services and resources. The focus will be on delivery of quality products to markets or acquisition of inputs for enterprises. In areas where NGOs do not have access, an effort will be made to engage communities directly and where appropriate program will be implemented in collaboration with private/ public sector agencies. Examples of activities include: introduction of improved varieties/breeds, GAP, technical training (horticulture, , fish farming, animal husbandry, dairy processing), linkages to markets (domestic and export market and processing chains). While the current partners of ASF (NGOs / RSPs) will be engaged during implementation of program, new partnerships and collaborations will also be established to enhance efficiency, effectiveness and outreach of the program. The FEGs will be strengthened and linked to private sector, so that their dependency on civil society facilitation organization is minimized and sustainability is ensured.

During the first year of program, a total of 700 FEGs, represented by a minimum of 10,500 farmers, including 30% women, will be formed. These FEGs will be provided matching-grant support to upgrade their capacities to better serve market needs.

5. Matching-Grant Support to Associations, Cooperatives and Farm Services Centers: This activity will establish / strengthen relevant registered agriculture associations and cooperatives which is a step to scale-up the FEG sub-component. Support will be provided directly to the associations / cooperatives or their members, and also through NGOs/RSPs to upgrade clusters of small-holder farmer groups into legally registered entities. This intervention will strive to extend farmer domain from traditional farming practices to value-added elements for horizontal and off-farm vertical integration, processing, value addition and marketing. Examples of activities include: establishment of common facility centers/pack houses, private extension services, marketing groups, nurseries/buck stations, cold storage, small scale processing etc. This sub-component will also include capacity building of selected existing Farm Services Centers (FSCs), enabling them to serve as efficient platforms for effective delivery of agriculture extension services at grass root levels and/or collection points for produce marketing, storage/ware-housing etc. Currently, FSCs are operational in KPK and FATA. Depending on replication potential and farmers' response, an effort will also be made to pilot test the FSC model in other parts of country.

During the first year of program, a total of 15 associations, cooperatives and Farm Service Centers will be provided matching-grant support to undertake scaling-up agribusiness projects especially off-farm activities of value addition, processing and marketing.

Out-put based activities and performance benchmarks under this objective are described below:

Table 5: Out-put based activities and Performance Benchmarks under Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders & Farmer Enterprises

Out-Put Based Activities	Benchmarks for Measuring Achievements
1. Technical & Managerial Trainings	<ul style="list-style-type: none"> 20 trainings, attended by a minimum of 500 participants, organized in partnership with Universities and Training Institutes by 09th November, 2012
2. Organization of Kissan Field Schools in Selected Value Chains:	<ul style="list-style-type: none"> 500 KFS organized by implementing partners by 09th November, 2012
3. Technical Assistance and Capacity Building of BDS Providers	<ul style="list-style-type: none"> 20 BDS providers selected and provided TA and capacity building support by 09th November, 2012
4. Formation of Farmer Enterprise Groups (FEGs) (On-Farm Grants)	<ul style="list-style-type: none"> 700 FEGs formed by partner NGOs and RSPs by 09th November, 2012
5. Matching-Grant Support to Associations, Cooperatives and Farm Service Centers (On-Farm grants)	<ul style="list-style-type: none"> Awards made and agreements signed with 10 successful applicants by 30th June, 2012

A detailed chronological implementation plan (Gantt chart) of project activities is provided in the Section 6 of work plan.

4.4 Objective-3 (S-IR 1.1.3): Improved Technological Innovation

Objective 3: To increase agricultural efficiency and productivity through adoption of new farming techniques and technological innovation among targeted beneficiaries

4.4.1 Strategy

This objective focuses on strategy to increase agricultural efficiency and productivity through adoption of new on-farm and off-farm techniques and technological innovation among targeted beneficiaries. While all of the aforementioned activities, particularly KFS, FEGs and Technical Trainings, will also contribute towards achievement of this objective, the Project will also provide focused matching-grants support to farmers and enterprises to support investment in adoption of new techniques and technical innovation in production, processing and marketing.

4.4.2 Activities

Following activities under this component will be undertaken during the first year of program implementation:

1. Matching Grant Support to Individual Farmers / Corporate Farming: This activity will seek to assist new and existing producers with start up or expansion costs sharing within the targeted value chains. The program will offer cost-sharing grants for procurement of technical and business planning services, and for equipment, infrastructure or other capital improvements needed to implement strategies recommended through the planning process as prioritized in the value chain road-maps. The support will be provided to assist farmers and corporate producers/entrepreneurs to develop their farms into commercially viable operations and to diversify into high-value agriculture undertakings as well as to extend their enterprise frontiers to include value addition, processing and access high end markets with the country and abroad in association with other value chain operators. These dedicated matching grants will enable participating beneficiaries to access innovative agricultural production technology, inputs (such as seed, feed, fertilizer and machinery), post-harvest practices/technology, storage and output delivery mechanisms and innovative ways of marketing. Activities supported under this subcomponent will be carried out at the farm as well as off-farm domains. Possible

activities include dairy production and processing, private sector input supply enterprises (such as nurseries), livestock production and processing, production, post-harvest handling and processing, high-value product development (horticulture and livestock), and on-farm storage and processing.

During the first year of program, a matching-grant support to 20 farmers and enterprises will be provided under this activity.

2. Agriculture extension/research service development in private sector: ASF will provide matching-grant support to existing private sector extension service providers, farmer associations, individuals or firms proposing to commence private sector extension services, processors, exporters, brokerage firms and lead retailers who are involved or seek to be involved in the provision of extension services to farmers as part of their business. The support will cover infrastructure development, equipment, capacity building, overheads, and other related costs incurred by the service providers in delivery of agriculture extension services. The private sector extension services may be stand-alone commercial services or part of an integrated services program encompassing the entire value chain (inputs, production, packing, logistics, processing, value addition and market access). The project will also support demand-driven research by private or public sector research institutions leading to increased and better quality production and improved production processes, or to meet an identified market demand. Examples of potential projects may include: commercial tissue culture facilities, experimentation and market trials, processing, product development, innovative marketing of new products and participatory on-farm research.

Three service providers will be facilitated during the first year for private sector extension and research services.

3. Matching Grant Support to Enterprises (Off-farm): New ideas to production, processing, and marketing are inherently high-risk ventures. Furthermore, investment in certain geographical zones of Pakistan, despite being economically viable, is not considered worthy of the risk owing to the inability of entrepreneurs to undertake sensitivity analysis and prevailing high risk situation. This leads to a vicious circle where the lack of investment minimizes creation of job opportunities leading to unemployment and related issues. The Enterprise Development Grant may also satisfy a market demand for investment finance not currently served by the formal financial sector. These grants will result in innovation and/or diversification into secondary production or related agribusiness activity (processors, exporters, cool-chains, packagers, transporters, value-addition activities etc.), and assist the beneficiary enterprises establish linkages to small farmers for the purchase of the produce. Maximum efforts will be made to link this component to beneficiaries of "Production Grants". One important criterion for selection of grant beneficiaries may be the requirement to provide evidence that the enterprise/business already has or will establish linkages to small farmers for the purchase of the raw material on a contractual basis.

During the first year of program, matching-grant support to 03 enterprises will be provided for off-farm interventions.

Out-put based activities and performance benchmarks under this objective are described below:

Table 6: Out-put based activities and Performance Benchmarks under Objective-3 (S-IR 1.1.3): Improved Technological Innovation

Out-Put Based Activities	Benchmarks for Measuring Achievements
1. Matching-Grant Support to Farmers & Enterprises (On-Farm Grants)	<ul style="list-style-type: none"> Awards made and agreements signed with 20 successful applicants by 30th June, 2012
2. Agriculture extension/research service development in private sector	<ul style="list-style-type: none"> Awards made and agreements signed with 3 successful providers/associations by 30th May, 2012
3. Matching Grant support to enterprises (off-farm activities; processing, marketing and value addition)	<ul style="list-style-type: none"> Awards made and agreements signed with 03 successful enterprises by 31st August, 2012

A detailed chronological implementation plan (Gantt chart) of project activities is provided in Section 6 of work

plan.

5 SECTION FIVE - MONITORING AND EVALUATION

A draft Project Monitoring Plan was submitted with Technical Proposal as an initial paper that would serve as one input to a full Project Monitoring Plan (PMP) which is being prepared. Since the actual value chains, to be covered under the Project, have not been identified, the assumptions underlying this plan have to be subjected to ground - testing.

A comprehensive M&E program will be established and implemented to provide a sound basis for the USAID's Agribusiness Project's M&E system and PMP. Within 60 days of signing of the cooperative agreement, the Project will prepare and submit to USAID a draft PMP for review and approval. The PMP will include indicators of project success/progress and performance targets for 5 years, with clear responsibilities and roles chalked out.

The Project will capitalize on expertise of its local staff as well as TA provided by the sub-contractor (CNFA) in the M&E thematic area. In addition to Technical Assistance in the areas of value chain development, and establishing grant management system, CNFA will specifically provide support to in the area of monitoring and evaluation including the development of Monitoring, Reporting and Evaluation Systems, protocol for field information collection, development of monitoring database, assistance in ensuring compliance to reporting requirements, application of Geographic Information System (GIS) in monitoring, communication and reporting, development of a performance monitoring plan; provide implementation support to the reporting and evaluation systems and communication including websites, internet connectivity, software and hardware requirements for all of the program components and field sites. CNFA will also assist in responding to the specific requirements of USAID. In addition assistance will be sought from the other initiatives of USAID especially the "Independent Monitoring and Evaluation Contract (IMEC)" specifically regarding deepening of the understanding of requirements and guidelines related to the M&E thematic areas of the Project.

5.1 Strategy

Given the size and spread of the USAID's Agribusiness Project, and the need for accuracy, timeliness and results-based management, three challenges are envisaged for M&E:

- (a) **Implementation monitoring**³, that is, basic monitoring and reporting on inputs, activities and outputs for meeting input-output management and reporting requirements on the progress. Any deviation will be indicated through the feedback and feed-forward system and to serve the purpose of informing the decision making process for taking timely remedial measures;
- (b) **Results or outcome assessment** for helping the program move up the learning curve in a timely manner and tracking the result and outcomes as well as to ensure that outputs are contributing to the outcomes; and,
- (c) **Programmatic-monitoring**—the learning while doing aspect of M&E--based on an auditable trail of management information to anticipate and report deviations from desirable norms and practices.

Together, these three challenges are conceived as the M&E function of the project⁴. The logic underlying many aspects of M&E is technical as well as socio-economic, and needs to depend, in part, on the expertise of technical specialists. Drawing these specialists into monitoring and evaluation and deciding how to define and report on program activities is a management function. Thus, the M&E plan needs to be viewed as a shared

³ Here, the focus on implementation is associated with inputs, activities and outputs, while results are understood in terms of outcomes and impacts (including emerging impacts that have not yet attained their potential depth and extent). Refer to End Note 1 for additional discussion.

⁴ In line with USAID/Pakistan policies, it is assumed that the program will be subject to independent monitoring and evaluation funded through a source other than this program.

challenge for M&E specialists as well as the operational units responsible for implementation and overall management⁵. As such synergies would be ensured amongst the management, technical and M&E functions through effective communication, training and institutionalizing protocols and procedures.

The M&E system of USAID's Agribusiness Project will be comprised of the following:

- (a) realistic statements of expected results as well as a complete set of indicators and means of verification spanning the spectrum of results, outputs, activities and inputs. This would lay the foundations of implementation monitoring and results assessment system;
- (b) written description of the processes adopted for implementing each and every intervention, and the responsibility assigned for compliance with each step. This would be consistent with ISO 10013 (the international guide for quality manuals) and provide the basis for internal-monitoring⁶;
- (c) independent collection of data from various sources of information including periodic project reports and field visits, special surveys and outcome/impact assessments in addition to the published sources of information including that of industry sources, government, donors and multi-lateral agencies and independent specialized agencies;
- (d) monitoring and reporting formats, peer review and reporting channels for periodic (monthly, quarterly and annual) reports;
- (e) outcome assessments at annual or longer intervals so as to cover all outcomes/emerging impacts at least once in three years. The post project impact assessment and evaluation will be done after the project by the donor agency;
- (f) an integrated database holding all relevant information for implementation, monitoring and self-monitoring (except special surveys, case studies and outcome assessments);
- (g) statistical software and MIS for reporting and analysis in support of all aspects of self-evaluation/participatory monitoring and communication;
- (h) a geographic information system (GIS) to plan, monitor and report-display information of interest by location and value chains; and,
- (i) the establishment of an M&E Unit at the ASF headquarter with substantial representation at the regional level.

5.2 Activities

Following activities under this component will be undertaken during the first year of program implementation:

1. Preparation of project monitoring plan: A project monitoring plan will be developed covering the entire scope of the project and process requirements for a comprehensive monitoring and evaluation of the Project. The plan will be submitted for review and approval of USAID within 2 months of signing of the cooperative agreement. PMP will serve, as a broad framework, for monitoring and evaluation of activities, output, outcomes and impacts (emerging). The framework will be flexible to allow for adjustment during the course of implementation.
2. Baseline studies and value chain benchmarking studies: The value chains identification and prioritization will be followed by baseline studies and value chain benchmarking in all the project regions. The prioritization of value chains will be undertaken following a standard criterion keeping in view the overall strategy of clustering. This activity will generate primary data on the key indicators maintained in a database to be updated during the course of the project implementation. The baseline studies will be completed within 7

⁵ M&E should emphasize learning and feedback through partnership among the relevant units of a project.

⁶ The approach for this is outlined in End Note 2.

months from signing of the cooperative agreement, through the project staff and external assistance wherever required.

3. Database establishment and updating: The M&E database will be established to record monitoring data from secondary and primary sources. Database will be established and made operational within 8 months from signing of the cooperative agreement. The database will be linked to GIS for display and digitization of imageries and other visual reports presentations. The system will have internet protocol to enable head office and regional offices feed information, undertake analysis and enable generation of reports at defined access points.
4. Monitoring and reporting: Data monitored will be analyzed and compiled into periodic reports for submission to USAID. Submission will be made on bi-weekly, quarterly and annual basis. Requisite special reports will be submitted as and when required.
5. Information communication and dissemination (ICD): Essentially to disseminate information and project a positive image of the project among the potential beneficiaries and in the general masses, the need for a proper communication strategy is indispensable. The Project will identify and utilize all means for proper projection of the project activities and its anticipated outcomes in the medium and long term. Different media will be utilized for this purpose including internet (project website), print and electronic media, newsletters, sign boards, promotional material, video CDs etc. The logos of USAID will be used on all promotional material to effectively project its contribution to the development of the sub-sectors. National and regional launching of the project will be carried out to create awareness about the project at all levels. Six launching ceremonies will be held throughout the target areas of the Project.
6. Coordination and collaboration: The Project will explore opportunities to have coordination with current initiatives of USAID and other donor agencies in the sub-sector to achieve synergies. Coordination will also be in place with government agencies and departments for seeking policy leverage and awareness creation. The project will also build on the earlier initiative such as FIRMS project and other initiatives funded by USAID in the past.

Table 7: Out-Put Based Activities and Performance Benchmarks under Monitoring and Evaluation

Out-Put Based Activities	Benchmarks for Measuring Achievements
1. Development of Project Monitoring Plan for the Project	<ul style="list-style-type: none"> Development of Draft PMP and sharing with USAID for review latest by 10th January, 2012 Finalization of the PMP in light of the comments of USAID latest by 31st January 2012 Prioritization of value chains and identification of clusters
2. Establishing project baseline and undertaking value chains benchmarking studies	<ul style="list-style-type: none"> Baseline Study Completed by 31st August 2012 Value Chains' analysis and benchmarking studies completed by 09th November 2012.
3. Development of Database, GIS system and automated reporting system with web-based/internet protocol entry and reporting options	<ul style="list-style-type: none"> Development of the database linked to GIS system for automated reporting latest by 31st March 2012 Pilot testing and updating database linked to GIS in head office and regional office M&E reporting system finalized latest by 30th June 2012
4. Annual work plan for Year 2	<ul style="list-style-type: none"> Annual work plan for year 2 developed latest by 31st August 2012 and finalized by 09th November 2012
5. Communication and Dissemination	<ul style="list-style-type: none"> Preparation and dissemination of promotional material like documentaries, videos, radio talk

Out-Put Based Activities	Benchmarks for Measuring Achievements
	shows, TV talk shows etc., periodically (2 video documentaries, 4 talk shows/airtimes on radio/TV/cable networks) and participation in promotional events (2 events)

A detailed chronological implementation plan (Gantt chart) of project activities is provided in Section 6 of work plan.

Consolidated Out-Put based Activities and Progress Benchmarks for the First Year of Implementation of Agribusiness Project are described in Table 9.

Table 8: Consolidated Output based Activities and Progress Benchmarks during the First Year's Implementation of USAID's Agribusiness Project

Objective	Out-Put based Activities	Progress Benchmarks	Program Budget Allocation (US\$)
Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains	1. Priorities identified and support models for interventions established regarding Technical Assistance and Capacity Building Support under Export, Quality Assurance and Food- Safety Compliance Certifications Program; 10 compliance certification facilitated.	<ul style="list-style-type: none"> Compliance ensured by 10 enterprises until 09th November 2012. 	60,000
	2. Priorities identified and support models for interventions established regarding Technical Assistance and Capacity Building Support under International Markets Access Program (IMAP); Market access facilitated for 10 enterprises/exporters	<ul style="list-style-type: none"> Market access facilitated through formal contracts for 10 enterprises until 09th November 2012 	60,000
	3. Launch of Stakeholders Participatory Programs	<ul style="list-style-type: none"> 30 primary- and secondary-level stakeholder validation workshops organized in selected sub-sectors by 09th November, 2012 A minimum of 26 studies / participatory assessments / value chain assessment / baseline studies will be developed by 09th November, 2012 	500,000
	4. Development and Operation of Value Chain Platforms (VCPs) / Sector Working Groups / Platforms	<ul style="list-style-type: none"> 2 VCPs established by 30th June, 2012 12 meetings of VCP members organized by 09th November, 2012 16 enterprises supported in acquiring GlobalGAP and fair Trade memberships by 09th November, 2012 Two international trainings and exposure programs for members organized and supported by 09th November, 2012 	100,000
	5. Selection & mobilization of International Firm for International Market Linkages Program:	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 31st March, 2012 International Firm selected by 30th June, 2012 	400,000

Objective	Out-Put based Activities	Progress Benchmarks	Program Budget Allocation (US\$)
Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders & Farmer Enterprises	1. Technical & Managerial Trainings	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 31st March, 2012 Universities and Training Institutes selected for organization of trainings by 30th April, 2012 Agreements / contracts with signed with Universities and Training Institutes by 31st May, 2012 20 trainings, attended by a minimum of 250 participants, organized in partnership with Universities and Training Institutes by 09th November, 2012 	200,000
	2. Organization of Kisan Field Schools in Selected Value Chains:	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 28th February, 2012 Implementing partners selected for by 31st March, 2012 Agreements / contracts with signed with implementing partners by 30th April, 500 KFS organized by implementing partners by 09th November, 2012 	690,000
	3. Technical Assistance and Capacity Building of BDS Providers	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 31st March, 2012 20 BDS providers selected and provided TA and capacity building support by 09th November, 2012 	120,000
	4. Formation of Farmer Enterprise Groups (FEGs) (On-Farm Grants)	<ul style="list-style-type: none"> Scope of work and TORs for NGOs and RSPs finalized by 15th February, 2012 Selection of partner NGOs and RSPs completed by 31st March, 2012 Agreements signed with successful NGOs and RSPs by 30th April, 2012 700 FEGs formed by partner NGOs and RSPs by 09th November, 2012 	700,000
	5. Matching-Grant Support to Associations, Cooperatives and Farm Service Centers (On-Farm Grants)	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 15th April, 2012 Solicitation/announcement by 30th April, 2012 Selection of 15 associations, cooperatives and FSCs by 31st May, 2012 Awards made and agreements signed with 10 successful 	176,250

Objective	Out-Put based Activities	Progress Benchmarks	Program Budget Allocation (US\$)
Objective-3 (S-IR 1.1.3): Improved Technological Innovation	1. Matching-Grant Support to Farmers & Enterprises (On-Farm Grants)	applicants by 30 th June, 2012 <ul style="list-style-type: none"> Priorities identified and support models for interventions established by 15th April, 2012 Solicitation/announcement by 30th April, 2012 Selection of 20 farmers and enterprises by 31st May, 2012 Awards made and agreements signed with 20 successful applicants by 30th June, 2012 	120,000
	2. Agriculture extension/research service development in private sector	<ul style="list-style-type: none"> Priorities identified and support models for interventions established by 15th April, 2012 Solicitation/announcement by 30th April, 2012 Selection of 3 extension/research services by 15th May, 2012 Awards made and agreements signed with 3 successful providers/associations by 30th May, 2012 	60,000
	3. Matching-Grant Support to Enterprises (Off-Farm Grants)	<ul style="list-style-type: none"> Priorities and support models for interventions established by 15th June, 2012 Solicitation announcement by 30th June, 2012 Selection of 03 enterprises by 30th July, 2012 Awards made and agreements signed with 03 successful enterprises by 31st August, 2012 	210,000
Technical assistance through sub-contractor (CNFA)	4. Signing of contract with CNFA for provision of technical assistance	<ul style="list-style-type: none"> Scope of work, TORs and deliverables chalked out by 31st December 2011. Contract signed with CNFA latest by 10th February 2012 	1,078,080
Total Program Budget Allocated for First Year (US\$)			4,474,330

6 SECTION SIX - DETAILED CHRONOLOGICAL IMPLEMENTATION PLAN

Detailed Chronological Implementation Plan is given below as a Gantt chart:

Activities / Outputs	Timeframe														Completion Deadline
	Nov -11	Dec -11	Jan -12	Feb- 12	Mar -12	Apr -12	May -12	Jun- 12	July -12	Aug -12	Sep -12	Oct -12	Nov- 12		
SECTION ONE: PROJECT START UP AND MANAGEMENT															
Strengthening of ASF Head Office/Regional Office in Lahore														10 th May 2012	
Establishment of Project Office in Islamabad														10 th Feb 2012	
Establishment of other regional offices														10 th May 2012	
Hiring of Staff based at Islamabad and Lahore Offices														10 th May 2012	
Hiring of Staff in other regional offices														10 th May 2012	
Signing of contract and mobilization of international sub-contractor-CNFA														31 st Jan 2012	
Identification and hiring of additional members of Grants Appraisal Panel (GaP)														10 th May 2012	
Engagement of International Experts														Ongoing	
Staff training and capacity development														Ongoing	
Organizing Project launch conference														10 th Feb 2012	
SECTION TWO: COMPLIANCE OF AWARD AND PROGRAM REQUIREMENTS															
Programmatic Environmental Assessment (PEA)														30 th April 2012	
Compliance to Pre-Award Assessment Conditions															
1- Capacity enhancement plan and capacity building of existing and proposed staff														Ongoing	
2- Establishment of Internal audit department														10 th Feb 2012	
3-Weaknesses in grants management system addressed														10 th Feb 2012	
4-Installation and pilot testing of grants and accounting software along with compatible server machine														10 th Mar 2012	
Development of draft Grants Appraisal and Approval Manual (GaaM)														10 th Feb 2012	
SECTION THREE: PROGRAM IMLEMNTATION															
Objective-1 (S-IR 1.1.1): Strengthened Market Linkages in Selected Value Chains															
Priorities identified and support models for interventions regarding Technical Assistance and Capacity Building Support under Export, Quality Assurance and Food- Safety Compliance Certifications Program;														30 th April 2012	

Activities / Outputs	Timeframe													Completion Deadline
	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	July-12	Aug-12	Sep-12	Oct-12	Nov-12	
10 certification facilitated.														
Priorities identified and support models for interventions established regarding Technical Assistance and Capacity Building Support under International Markets Access Program (IMAP); market access of 10 enterprises facilitated.														30 th April 2012
Launch of Stakeholders Participatory Assessment / Preparatory Programs														
1- 30 primary- and secondary-level stakeholder validation workshops organized in selected sub-sectors														09 th Nov 2012
2- A minimum of 10 comprehensive studies and 16 participatory assessments , including value chain baseline, will be carried developed														09 th Nov 2012
Development and Operation of Value Chain Platforms (VCPs) / Sector Working Groups / Platforms:														
1- Two (2) Value Chain Platforms (VCPs) established														30 th June 2012
2- Twelve (12) meetings of VCP members organized														09 th Nov 2012
3- Sixteen (16) enterprises supported in acquiring GlobalGAP and fair Trade memberships														09 th Nov 2012
4- Two (2) international trainings and exposure programs for members organized and supported														09 th Nov 2012
Selection of International Firm for International Market Linkages Program														
1- Priorities identified and support models for interventions established														31 st March 2012
2- International Firm Selected & mobilized														30 th June 2012
Objective-2 (S-IR 1.1.2): Strengthened Capacity of Smallholders & Farmer Enterprises														
Technical and Managerial Trainings														
1- Training Themes and priorities for training established														31 st March 2012
2- Universities and Training Institutes selected for organization of trainings														30 th April 2012
3- Agreements / contracts with signed with Universities and Training Institutes														31 st May 2012
4- Twenty (20) trainings, attended by a minimum of 250 participants, organized in partnership with Universities and Training Institutes														09 th Nov 2012
Organization of Kisan Field Schools(KFS) in Selected Value Chains														
1- Scope of work and detailed TORs for implementing partners developed														28 th Feb 2012
2- Implementing partners selected														31 st March 2012
3- Agreements / contracts signed with implementing partners														30 th April 2012

Activities / Outputs	Timeframe														Completion Deadline
	Nov -11	Dec -11	Jan -12	Feb- 12	Mar -12	Apr -12	May -12	Jun- 12	July -12	Aug -12	Sep -12	Oct -12	Nov- 12		
4- Organisation of 500 KFS initiated.														09th Nov 2012	
Technical Assistance and Capacity Building of BDS providers															
1- Priorities identified and support models for interventions established														31 st March 2012	
2- 20 BDS providers selected and provided TA and capacity building support														09th Nov 2012	
Formation of Farmer Enterprise Groups (FEGs)															
1- Scope of work and detailed TORs for NGOs and RSPs finalized														15 th Feb 2012	
3- Selection of partner NGOs and RSPs completed														31 st March 2012	
4- Agreements signed with successful NGOs and RSPs														30 th April 2012	
5- Formation of 700 FEGs initiated by ASF through partner NGOs and RSPs														09th Nov 2012	
Matching-Grant Support to Associations, Cooperatives and Farm Service Centres															
1- Priorities identified and support models for interventionsestablished														15 th April 2012	
2- Solicitation/announcement														30 th April 2012	
3- Selection of 15 associations															
4- Awards made and agreements signed with 20 successful applicants														30 th June 2012	
Objective-3 (S-IR 1.1.3): Improved Technological Innovation															
Matching Grant Support to farmers & Enterprises															
1- Priorities identified and support models for interventions established														15 th April 2012	
2- Solicitation/announcement														30 th April 2012	
3- Selection of 20 farmers and enterprises														31 st May 2012	
4- Awards made and agreements signed with 20 successful applicants														30 th June 2012	
Agriculture Extension/Research and Development															
1- Priorities identified and support models for interventions established														15 th April 2012	
2- Solicitation/announcement														30 th April 2012	
3- Selection of 03 service providers/associations														15 th May 2012	
4- Awards made and agreements signed for 03 extension & research services undertakings														31 st May 2012	
Matching Grants for Support to Off-farm enterprises (processing, marketing and export)															
1- Priorities identified and support models for interventions established														15 th June 2012	

Activities / Outputs	Timeframe														Completion Deadline
	Nov -11	Dec -11	Jan -12	Feb -12	Mar -12	Apr -12	May -12	Jun -12	July -12	Aug -12	Sep -12	Oct -12	Nov-12		
2- Solicitation/announcement														30 th June 2012	
3- Appraisal and selection of 03 enterprises														30 th July 2012	
4- Awards made and agreements signed with 03 enterprises														31 st Aug 2012	
SECTION FOUR: MONITORING AND EVALUATION															
Preparation and submission of Annual Work Plan (AWP)														10 th Dec 2011	
Preparation & submission of Project Monitoring Plan (PMP)														10 th Jan 2012	
Baseline Survey															
1 -Project Baseline Survey														31 st May 2012	
2- Value Chain / Sub-Sector Baseline Studies														30 th June 2012	
Establishment of comprehensive M&E system including database, MIS systems, GIS systems, grants tracking etc.														30 th June 2012	
On-going monitoring of program activities in accordance with AWP, Log-frame and PMP														Ongoing	
Submission of bi-weekly reports														Bi-weekly	
Submission of quarterly progress, accrual and federal financial reports														Every quarter	
Customized reporting as required by USAID from time to time														Ongoing	
Information communication and dissemination														Ongoing	
Preparation and Approval of Annual Work Plan for Year 2														30 th Nov 2012	